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Message Text

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64
ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03

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OMB-01 TRSE-00 STR-08 CEA-02 MC-02 DRC-01 /169 W
---------- 118911
R 170415Z SEP 73
FM USLO PEKING
TO SECSTATE WASHDC 717
INFO AMCONSUL HONG KONG
AMEMBASSY MOSCOW
CINCPAC

C O N F I D E N T I A L PEKING 1059

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: ETRD CH UR
SUBJ: SINO-SOVIET TRADE FOR 1973

SUMMARY: ACCORDING TO SOVIET TRADE OFFICIAL IN PEKING, ACTUAL SINO-SOVIET TRADE IN 1973 COULD REACH 220 MILLION RUBLES, AS COMPARED TO 210 MILLION RUBLES IN 1972. AIRCRAFT AND AIRCRAFT SPARE PARTS CONTINUE TO PLAY LARGE PART IN SOVIET EXPORTS. SOVIET OFFICIALS DENY AFP REPORT THAT CHINA PURCHASED A "WHOLE POWER PLANT" FROM USSR THIS YEAR. END SUMMARY.

1. IN SEPTEMBER 14 USLO COMMERCIAL ECONOMIC CHIEF HOROWITZ PAID COURTESY CALL ON USSR TRADE REPRESENTATIVE IN PRC Y. N. ARCHANGELSKY AND DEPUTY TRADE REPRESENTATIVE VLADMIR A. KOROLEV. DISCUSSION WAS MOST CORDIAL WITH SOVIET TRADE REPS VOLUNTEERING INFORMATION ON USSR-PRC TRADE AND MAKING IT CLEAR THEY HOPE TO HAVE FRIENDLY RELATIONSHIP WITH USLO COMMERCIAL/ECONOMIC SECTION.
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2. ARCHANGELSKY ALTERNATELY SPOKE IN ENGLISH (SLOW AND HALTING), MANDARIN, AND RUSSIAN (TRANSLATED INTO ENGLISH BY KOROLEV). HE SAID HE IS 47 YEARS OLD, MARRIED WITH TWO CHILDREN, SERVED IN PEKING FROM 1955 TO 1959, AND HAS SERVED ONE YEAR ON THIS SECOND TOUR. KOROLEV IS ABOUT 43, SPEAKS EXCELLENT ENGLISH AND GOOD MANDARIN, AND SERVED HERE DURING CULTURAL REVOLUTION.

3. WITHOUT BEING ASKED, ARCHANGELSKY LAUNCHED INTO DESCRIPTION OF SINO-SOVIT TRADE. HE PROVIDED TABLE OF SINO-SOVIET TRADE FIGURES FROM 1950 THROUGH 1972 AND DETAILED BREAKDOWNS FOR 1971 AND 1972 (THESE BEING POUCHED). HE ALSO PROVIDED FOLLOWING INFORMATION, ASKING THAT WE KEEP IT CONFIDENTIAL, ON 1973 AGREEMENT WHICH WAS SIGNED IN MOSCOW ON AUGUST 1.

A. TOTAL VALUE OF GOODS TO BE EXCHANGED IN 1973: 186 MILLION RUBLES, BALANCED AT 93 MILLION EACH WAY. (ALL RECENT AGREEMENTS, SINCE CHINESE REPAYMENT OF SOVIET DEBT, HE SAID, CALLED FOR BALANCED TRADE.) WHEN LATE DELIVERED GOODS OF THE 1972 AGREEMENT ARE CONCLUDED, ACTUAL TRADE IN 1973 COULD REACH 220 MILLION RUBLES. THIS COMPARES WITH AN ACTUAL TRADE FIGURE FOR 1972 OF 210 MILLION RUBLES (100 IN SOVIET EXPORTS AND 110 IN SOVIET IMPORTS).

B. SOVIET EXPORTS UNDER THE 1973 AGREEMENT INCLUDE 4 TURBINE GENERATORS OF 100 MEGAWATTS EACH; 13 AN-24 AIRCRAFT; 10 ME-8 HELICOPTERS; 400 TRUCKS; 30 MILLION RUBLES WORTH OF SPARE AIRCRAFT PARTS (FOR PREVIOUSLY PURCHASED AIRCRAFT); 6 MILLION RUBLES WORTH OF OTHER SPARE PARTS; 30 TONS OF STEEL PRODUCTS; AND 200 CUBIC METERS OF TIMBER. SOVIET IMPORTS UNDER AGREEMENT ARE ROUGHLY SAME AS SHIPMENT FROM CHINA IN RECENT YEARS.

C. IN REPLY TO QUESTIONS, ARCHANHELSKY SAID THAT UNDER 1972 AGREEMENT 5 AN-24S WERE SHIPPED TO CHINA. AS FOR IL-62S, 5 WERE PROVIDED FOR BY THE 1971 AGREEMENT, OF WHICH 2 WERE DELIVERED IN 1971 AND 3 IN 1972. HE SAID SOVIETS HAVE NOT PROVIDED THE CHINESE WITH ANY AIR TRAFFIC CONTROL EQUIPMENT.

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D. ALSO IN REPLY TO QUESTIONS, HE SAID THAT THE USSR PROVIDED CHINA WITH 4 TURBO GENERATORS IN 1972, TWO OF WHICH WERE 50 MEGAWATTS AND TWO WERE 100 MEGAWATTS. HE DENIED RECENT AFP REPORT THAT SOVIETS SOLD CHINA A "WHOLE POWER PLANT.", AND SAID THAT NO SOVIET TECHNICIANS HAVE ANYTHING TO DO WITH INSTALLATION OF GENERATORS CHINESE ARE BUYING. THE GENERATORS ARE PRODUCED IN LENINGRAD (THE CHINESE DELEGATION VISITED THE PLANT LAST MONTH) AND IN NOVOSIBIRSK.

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E. ARCHANGELSKY SAID, IN REPLY TO QUERY, THAT CHINA DOES NOT SHIP THE USSR ANY GOLD ORE (REPORTED BY FBIS MOSCOW MANDARIN LANGUAGE BROADCAST ON AUGUST 17), AND SAID THIS CAN ONLY BE MISTRANSLATION.

F. AS OF AUGUST 1, HE SAID, CONTRACTS HAD ALREADY BEEN SIGNED FOR 95 PERCENT OF THE GOODS LISTED IN THE AGREEMENT THAT WAS SIGNED THAT DAY.

G. THE 1973 AGREEMENT WAS ACCOMPANIED BY A SEPARATE PROTOCOL THAT PERMITS THE PHYSCIAL EXCHANGE OF GOODS IN 1974 TO PROCEED; THE TOTAL TRADE LEVEL FOR 1974 WOULD NOT BE DETERMINED, HOWEVER, UNTIL THE 1974 AGREEMENT IS NEGOTIATED AND SIGNED. AS OF SEPTEMBER 1, HE SAID, 40 MILLION RUBLES OF CONTRACTS FOR TRADE EACH WAY IN 1974 ARE SIGNED. THESE INCLUDE ANOTHER 17 AN-24S.

4. IN RESPONSE TO QUESTIONS ABOUT SINO-US TRADE THIS YEAR, HOROWITZ PROVIDED, ON CONFIDENTIAL AND FOR FOR PUBLICATION BASIS, SUBSTANCE OF ESTIMATES INCLUDED IN STATE 170718.

5. ARCHANGELSKY AND KOROLEV WILL PROBABLY PAY RETURN CALL WITHIN NEXT TWO WEEKS. IF ADDRESSEES WISH USLO TO TAKE OPPORTUNITY TO POSE ANY QUESTIONS ABOUT SINO-SOVIET TRADE, WE SHOULD BE INFORMED PROMPTLY.
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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Executive Order: GS BRUCE
Errors: N/A
Film Number: n/a
From: PEKING
Handling Restrictions: n/a
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Legacy Key: link1973/newtext/t19730930/aaaaavsk.tel
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